

FISCAL NOTE
Requested by Legislative Council
01/06/2021

Bill/Resolution No.: HB 1107

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(512,744)		\$(512,744)
Expenditures				\$(512,744)		\$(512,744)
Appropriations				\$(512,744)		\$(512,744)

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Expands the definition of a resident student for tuition purposes to include National Guard and Armed Forces Reserve members who are not residents of North Dakota. Revenues would decrease as these students currently pay higher out-of-state rates. Fiscal impact of new students cannot be estimated.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The tuition revenue reduction was calculated using the application data from the last two completed academic years. The estimated \$512,744 reduction in tuition revenue was calculated using the 2020-21 resident tuition rates in effect at each NDUS Institution applied to 120 student applications over the two-year period and assumes this same constant level of student applications. An offsetting revenue increase may occur if additional students were to attend NDUS Institutions due to the lower tuition rates; however, the amount cannot be estimated at this time.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Overall tuition revenue (Other Funds) for ND public institutions of higher education would decrease by \$512,744 for the 2021-23 biennium. Amounts would vary by institution depending on where these students are enrolled. These tuition funds are utilized for salaries and operating expenses at each institution.

Due to the uncertainty of state funding, as well as enrollment uncertainty from COVID & the current economy, any reduction in tuition revenues could result in employee layoffs or programmatic cuts.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Overall tuition revenue (Other Funds) for ND public institutions of higher education would decrease by \$512,744 for the 2021-23 biennium. As a result, special fund expenditures would decrease. Amounts would vary by institution depending on where these students are enrolled. These tuition funds are utilized for salaries and operating expenses at each institution.

Due to the uncertainty of state funding, as well as enrollment uncertainty to COVID & the current economy, any reduction in tuition revenues could result in employee layoffs or programmatic cuts.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Overall tuition revenue (Other Funds) for ND public institutions of higher education would decrease by \$512,744 for the 2021-23 biennium. As a result, special fund appropriations could decrease. Amounts would vary by institution depending on where these students are enrolled. These tuition funds are utilized for salaries and operating expenses at each institution.

Due to the uncertainty of state funding, as well as enrollment uncertainty to COVID & the current economy, any reduction in tuition revenues could result in employee layoffs or programmatic cuts.

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